

# VOLT®

## INVESTOR PRESENTATION

November 2018



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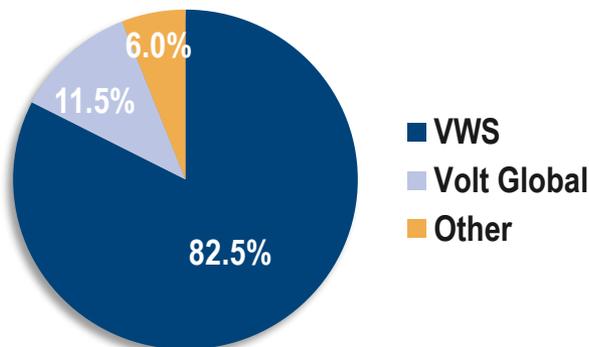
## Volt at a Glance:

- LTM Net Sales of \$1.06 billion<sup>1</sup>
- Operates in approximately 100 locations worldwide
  - ~89% of revenues generated in the United States
  - ~2,000 active clients
  - 40% of the Fortune 100
- Employs an average of 20,000 people, including approximately 18,500 who work on contingent staffing assignments

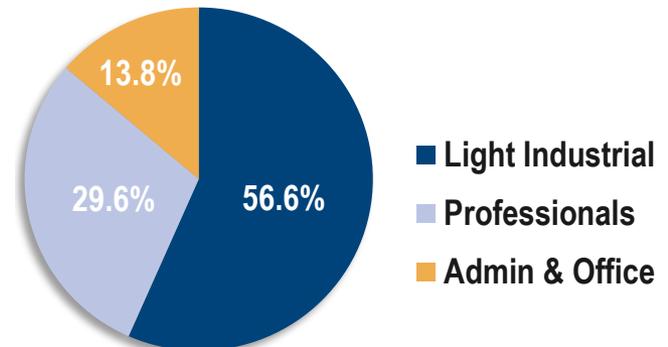
## What We Do:

- International provider of staffing services, outsourcing solutions, customer care solutions and workforce management support to clients through MSP
- Support primarily administrative and light industrial (“commercial”) as well as technical, information technology and engineering (“professional”) positions
- Positioned to address over 80% of the U.S. staffing services addressable market
- Established brands and deep customer relationships makes Volt a trusted, long-term resource for clients

**YTD 2018 Company Revenue**  
(by segment)

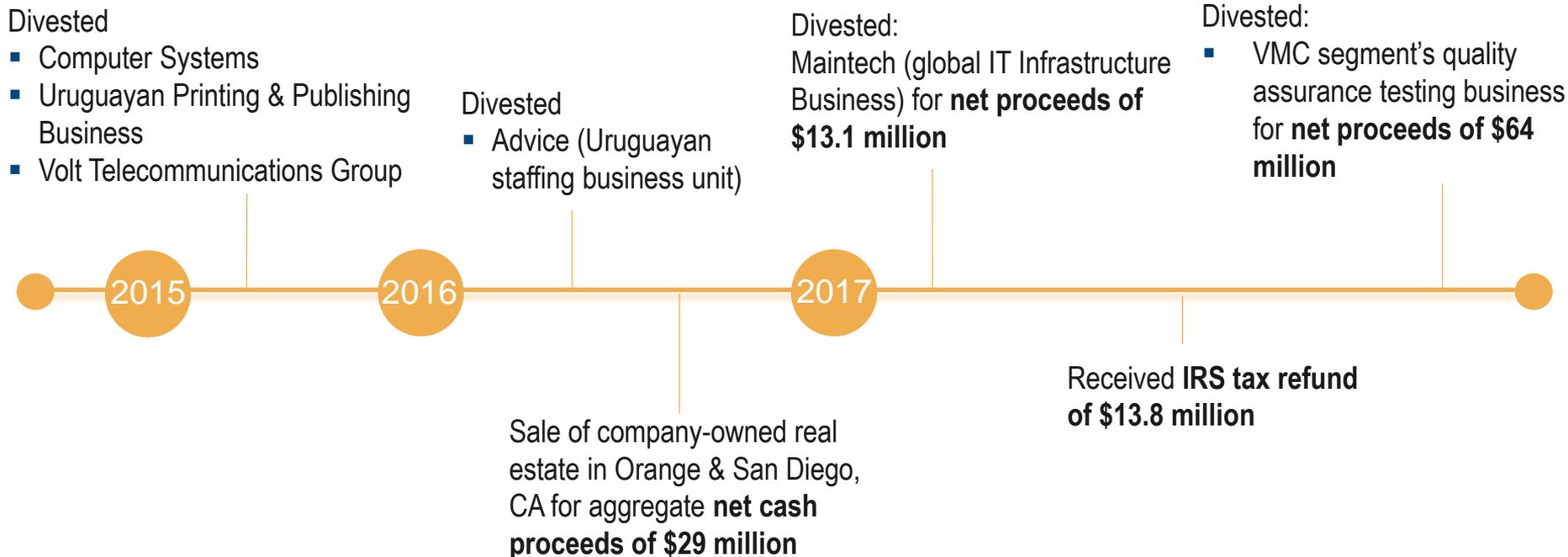


**YTD 2018 North American Staffing Revenue**  
(by job category)



Note<sup>1</sup>: As of the twelve months ended July 29, 2018

*Goal: Simplify corporate structure and streamline operational focus  
strengthen balance sheet and improve financial flexibility*



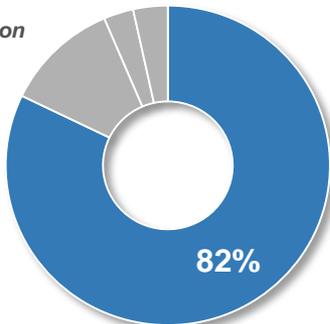
**Outcome: Monetized ~\$120 million of non-core and tax assets**

## North American Staffing



Broad spectrum of contingent staffing, direct placement, recruitment process outsourcing, staffing management, and other employment services

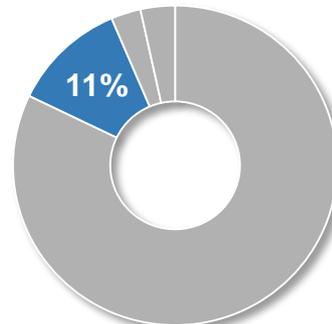
LTM Q3 2018 Revenue Concentration



## International Staffing



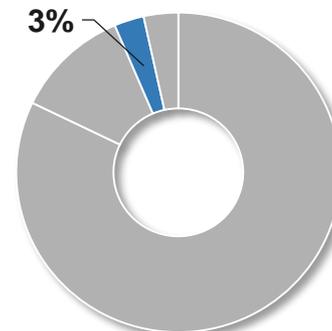
Talent management expertise to deliver staffing solutions; includes Volt Consulting Group, Volt Europe and Volt Asia



## Volt Consulting Group (VCG)



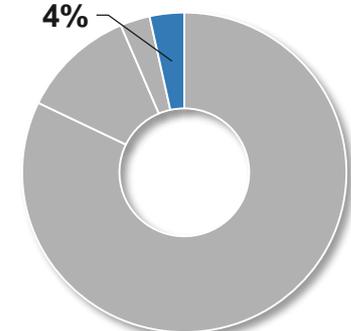
Unique and tailored workforce management support to clients through MSP programs and total talent management (TTM)



## Customer Care Business



Serves as an extension of customers' consumer-facing relationships by providing services ranging from help desk inquiries to advanced technical support



**VOLT**<sup>®</sup>  
Totals



LTM Q3 2018 Revenue: \$1,062.8M  
LTM Q3 2018 Gross Profit: \$157.3M  
LTM Q3 2018 Gross Margin: 14.8%

Volt maintains a national presence with branches located in 23 states around the United States along with 55 on-site locations across 35 clients, offering the opportunity for expansion into several key regional markets

### On-Site Locations

**55 Locations**  
across 35  
clients

### West Branches

27

### Northeast

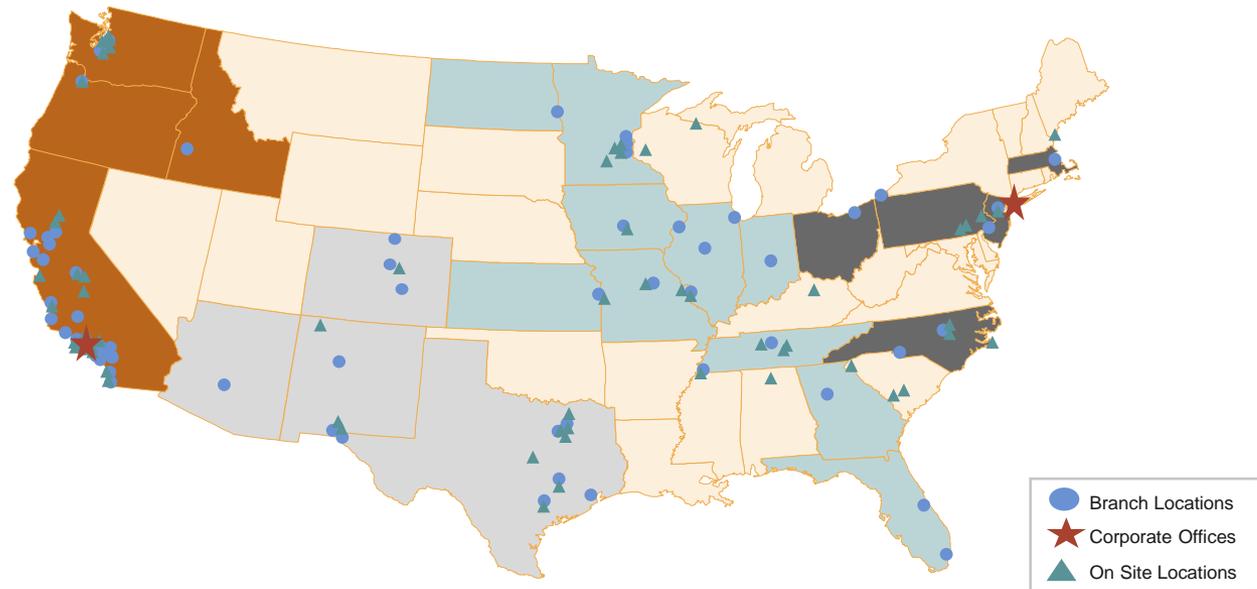
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### Southwest Branches

11

### Southeast-Midwest

14



**34.5M**

Billable Hours in  
NA Staffing

**STAFFING  
INDUSTRY  
ANALYSTS**

**#19** largest staffing firm in the U.S. out of approximately 20,000 industry players

**#11** largest industrial staffing firm in the U.S.

Volt has a blue-chip customer base across a wide spectrum of service offerings and end markets of the North American staffing industry

Customer	Characterization	End Market(s)	Tenure (Years)
A	Industry leading personal device manufacturer	Industrial, Administrative	32
B	International technology repair company	Industrial, Engineering	3
C	Industry leading, multi-faceted manufacturer	Industrial, Administrative, Engineering	32
D	Equipment manufacturer	Engineering, IT, Industrial	30
E	Medical device manufacturer	Industrial, Engineering, Administrative	24
F	Defense manufacturer	Industrial, Engineering, IT	34
G	Insurance company	Industrial, IT, Administrative	23
H	Semiconductor manufacturer	Industrial	34
I	Media & communications	Engineering, IT, Technical	17
J	Energy management company	Industrial	9

*Goal: Optimize the Company's strategic growth initiatives and overall business performance*



Focus on enhancing Volt Workforce Solution's (VWS) financial performance and building the foundation for sustainable growth

***Strategic priorities include:***

- **Organizational Design** – aligning the organization for maximum competitive advantage
- **Business Optimization** – drive further efficiencies, productivity and cost savings
- **Delivery Excellence** – improve talent acquisition and delivery
- **Growth and Expansion** – re-establish sales culture and incent for performance growth



VWS is now composed of three groups designed to strengthen focus on sales and delivery across a spectrum of offerings for maximum competitive advantage

## Specialty Solutions Group *Sales / Delivery*

### **Branch Network:**

- Retail<sup>1</sup> sales in Volt's three job categories
- High touch, high margin transactional clients
- Focused recruiters and business development managers
- Limited large account delivery

### **Vendor on Premise Network:**

- Dedicated recruitment and delivery teams

### **Delivery Hubs**

- Enterprise "no touch" VMS
- Large ramps
- Enterprise "touch" VMS

## Strategic Solutions Group *Sales*

- Vendor On Premise/Large Account pursuit team
- 100% sales and business development
- Master vendor opportunities
- Programs with dedicated recruitment and delivery teams

## Global Solutions Group *Sales / Spend Management*

- MSP/VMS Strategic partnerships
- Consultative business relationships
- U.S. and global focus
- Program management for implementation, management and compliance
- Delivery through supply chain (multiple providers and Volt)

### Retail Customers

- Customers with <\$1M annual spend on staffing
- Key retail attributes
  - Short sales cycle, higher price points, flexibility of candidate wages
  - Best executed with a local/regional sales and delivery approach
- 18% of VWS YTD FY2018 sales<sup>1</sup>

### Direct Hire Placements

- High gross margins: >95%
- Provides quick and material impact on Volt's overall profitability



Note<sup>1</sup>: Customers with <\$750k in spend for the first nine months ended July 29, 2018.



## Business Optimization

### Drive efficiencies, productivity and cost savings

- Optimize technology to drive performance through full integration of available tools, reporting and processes
- Migrate from manual, customized processes to automated, standardized processes
- Further reduction of corporate / support function costs as a result of improved quality model

## Delivery Excellence

### Improve talent acquisition and delivery

- Structure shifts to allow for a more focused, customized, agile delivery approach
- Integration of available recruiting tools will increase “speed to match”
- Mobilizing data analytics to drive strategy around job postings & ROI

## Growth & Expansion

### Re-establish sales culture and incent for performance growth

- Re-alignment of sales teams based on client buying patterns
- Overhauled bonus plans aligned with pay for performance approach
- Emphasis on building client relationships



### Leadership

**Linda Perneau**  
Chief Executive Officer & President

25+ years in Staffing



### Finance

**Paul Tomkins**  
Chief Financial Officer

30+ Year Career in Corporate Finance



### Legal & Regulatory

**Nancy Avedissian**  
SVP & General Counsel

20+ Years of Legal and Business Experience



### Operations

**Juliana Su**  
President Volt Customer Care Solutions, CIO VISI

21+ Years Industry Experience



### Operations

**Lori Schultz**  
COO, Volt Workforce Solutions

30+ Years of Staffing Industry Experience



### Operations

**Stu Brockmeier**  
VP Professional Placement

30+ Years of Staffing Industry Experience



### Operations

**Lauren Griffin**  
SVP, Specialty Solutions Group

30+ Years of Staffing Industry Experience  
Leading Sales and Operations Teams



### Operations

**Chris Kelly**  
SVP, Strategic Solutions Group

25+ Years of Staffing Industry Experience



### Operations

**Richard Herring**  
MD and SVP, Volt International

30+ Years Staffing Industry Experience



### Operations

**Eric Manning**  
VP Client Development North America

16+ Years Staffing Industry Experience

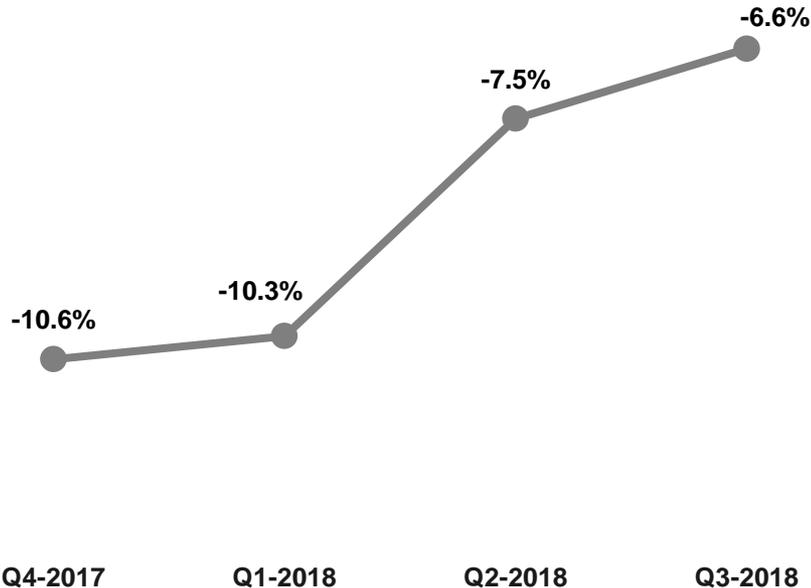


*Strong leadership team with over 255 years of combined industry experience*

# Financial Information



## Volt Quarterly Revenue Growth Rates<sup>(1)</sup> (Year over Year)



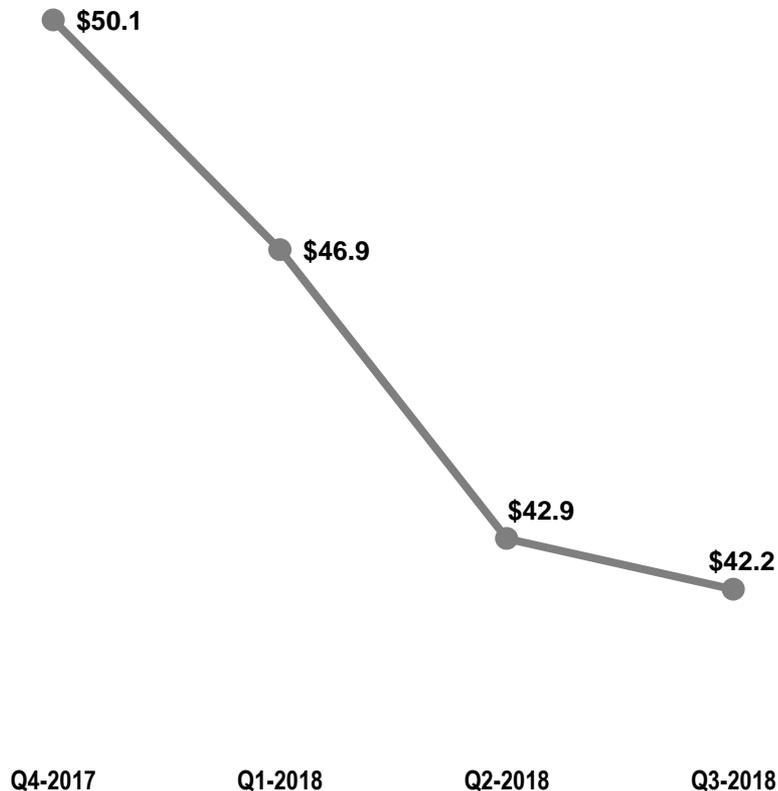
### Ongoing initiatives to enhance growth:

- Organization re-alignment for maximum competitive advantage
- Re-aligning sales team and incentivizing growth
  - Re-alignment of sales comp plans
  - New company-wide performance tracking and re-alignment of incentive plans for business development managers
- Focus on growing higher margin Retail business & Direct Hire placements
- Pricing discipline and targeted increases
- Improving candidate acquisition and delivery

Note<sup>1</sup>: Excludes net revenue contributed from businesses sold or exited during the past year and the effect of foreign exchange rate fluctuations

## SG&A Costs

(in millions)



### Recent Initiatives:

- Organizational restructuring announced October, 2018
  - Workforce reduction
  - Lease terminations
  - Anticipated annualized net savings of \$8 million
- Technology implementation to improve process efficiencies
- Continued streamlining of corporate structure
- Driving towards SG&A-to-Revenue ratio of <16%

Metric	Actions for Improvement	Near-Term Goal
Sales	<ul style="list-style-type: none"> <li>▪ Focus on retail opportunity</li> <li>▪ Direct hire</li> <li>▪ Technology implementation</li> <li>▪ Revised incentive plans</li> </ul>	Return to year over year growth trajectory
Gross Margin	<ul style="list-style-type: none"> <li>▪ Retail and direct hire emphasis</li> <li>▪ Pricing discipline / philosophy</li> </ul>	Gross margins aligned with industry standards
Operating Margin	<ul style="list-style-type: none"> <li>▪ Execute restructuring plan announced October, 2018</li> <li>▪ Re-vamped field structure</li> </ul>	Positive operating income
Global Liquidity	<ul style="list-style-type: none"> <li>▪ Improving DSO</li> <li>▪ Judicious cash management</li> <li>▪ Expansion of debt facility for enhanced flexibility</li> </ul>	Maintain minimum balance of \$20-25 million

(in millions)	Q3 FY17	Q3 FY18	Change
Cash & Cash Equivalents	\$16.4	\$29.9	82% increase in cash & cash equivalents
Debt	\$100.0	\$50.0	50% reduction in debt
Working Capital	\$29.8	\$103.3	3.5x working capital improvement
Global Liquidity	\$33.4	\$52.7	58% increase in global liquidity
Available Liquidity	\$8.4	\$37.7	4.5x available liquidity improvement

- *Improving liquidity while investing in business*
- *Successfully deleveraging balance sheet*
- *New credit facility with much more favorable terms*

	Entering 2018
Capital Loss Carryforwards	\$14 M <sup>(1)</sup>
Federal Tax Credits	\$48 M
Net Operating Loss Carryforwards (Federal)	\$156 M

- *Significant value from tax assets to be unlocked going forward*
- *Tax attributes will help shelter future earnings and transaction gains*

Note<sup>1</sup>: Sheltered \$43M in gains on sold businesses in FY17

- **Maintain adequate liquidity for working capital purposes**
  - Minimum liquidity balance of \$20-25 million required to support business
  
- **Invest in the growth of business**
  - Tools and technology to support core staffing business
  - Enhance sales and marketing talent and resources
  
- **Continue to de-leverage balance sheet**
  
- **Return capital to shareholders**



# Appendix



# Same Store Sales Reconciliation

Net Revenue	Third Quarter 2018	Third Quarter 2017				Growth Same Store Basis	
		As Reported	Business Sold or Exited	Foreign Exchange	Same Store Basis	Amount	%
North American Staffing	\$ 215,679	\$ 229,372	\$ -	\$ -	\$ 229,372	\$ (13,693)	-6.0%
International Staffing	28,579	29,018	(844)	939	29,113	(534)	-1.8%
Corporate & Other	14,415	33,365	(14,093)	-	19,272	(4,857)	-25.2%
Eliminations	(865)	(1,831)	-	-	(1,831)	966	52.8%
<b>Total Net Revenue</b>	<b>\$ 257,808</b>	<b>\$ 289,924</b>	<b>\$ (14,937)</b>	<b>\$ 939</b>	<b>\$ 275,926</b>	<b>\$ (18,118)</b>	<b>-6.6%</b>

Net Revenue	Second Quarter 2018	Second Quarter 2017				Growth Same Store Basis	
		As Reported	Business Sold or Exited	Foreign Exchange	Same Store Basis	Amount	%
North American Staffing	\$ 218,090	\$ 233,804			\$ 233,804	\$ (15,714)	-6.7%
International Staffing	31,904	30,231	(950)	3,586	32,867	(963)	-2.9%
Corporate & Other	14,156	40,532	(21,165)		19,367	(5,211)	-26.9%
Eliminations	(931)	(1,562)			(1,562)	631	40.4%
<b>Total Net Revenue</b>	<b>\$ 263,219</b>	<b>\$ 303,005</b>	<b>\$ (22,115)</b>	<b>\$ 3,586</b>	<b>\$ 284,476</b>	<b>\$ (21,257)</b>	<b>-7.5%</b>

# Same Store Sales Reconciliation (continued)

Net Revenue	First Quarter 2018	First Quarter 2017				Growth Same Store Basis	
		As Reported	Business Sold or Exited	Foreign Exchange	Same Store Basis	Amount	%
North American Staffing	\$ 206,235	\$ 231,865			\$ 231,865	\$ (25,630)	-11.1%
International Staffing	29,579	30,350	(988)	2,487	31,849	(2,270)	-7.1%
Corporate & Other	18,727	51,967	(31,990)		19,977	(1,250)	-6.3%
Eliminations	(1,203)	(1,158)			(1,158)	(45)	-3.9%
<b>Total Net Revenue</b>	<b>\$ 253,338</b>	<b>\$ 313,024</b>	<b>\$ (32,978)</b>	<b>\$ 2,487</b>	<b>\$ 282,533</b>	<b>\$ (29,195)</b>	<b>-10.3%</b>

Net Revenue	Fourth Quarter 2017	Fourth Quarter 2016				Growth Same Store Basis	
		As Reported	Business Sold or Exited	Foreign Exchange	Same Store Basis	Amount	%
North American Staffing	\$ 224,219	\$ 255,160			\$ 255,160	\$ (30,941)	-12.1%
International Staffing	29,423	31,730	(1,143)	1,052	31,639	(2,216)	-7.0%
Corporate & Other	20,965	58,104	(36,314)		21,790	(825)	-3.8%
Eliminations	(1,907)	(3,416)			(3,416)	1,509	44.2%
<b>Total Net Revenue</b>	<b>\$ 272,700</b>	<b>\$ 341,578</b>	<b>\$ (37,457)</b>	<b>\$ 1,052</b>	<b>\$ 305,173</b>	<b>\$ (32,473)</b>	<b>-10.6%</b>